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20 October 1982

MEMORANDUM FOR: Executive Director

INFO : Deputy Director for Administration  
Deputy Director for Intelligence  
Deputy Director for Science and Technology  
Director of Personnel  
Comptroller  
Inspector General

FROM : John H. Stein  
Deputy Director for Operations

SUBJECT : Long-Range Planning Phase III Summary

REFERENCES : A. Executive Director's Memo of 14 October 1982  
B. Summary Report for Phase III

1. The Directorate of Operations has only one serious problem with the products of the long-range planning process that have so far emerged. Your covering memorandum of 14 October notes that we are now getting close to real world decisions in our planning and notes that we are approaching a point at which we will be discussing personnel and dollar investments that do not now seem sustainable. While I agree that improvements in prioritization and allocation of resources, manpower selection, performance measurement, and cross-directorate coordination will all be essential to any enhancements of our capabilities, I believe that reaching levels of effectiveness demanded by the DCI's objectives will require investments that do not now seem possible.

2. In this light, the Planning Staff's Summary of the results of Phase III does include some seeming contradictions. The summary of implications notes that all of the Phase III studies place stress on qualitative improvements which would bring about improvements in Agency capabilities nearly independent of increases in personnel, advances in technical equipment or more equipment. Our view, however, is that qualitative improvements in the way the Agency and, certainly, the DO goes about its business can not be achieved without more people and money. Better tradecraft and counterintelligence are impossible without more people. The simple reality is that it takes more time to run good operations than sloppy operations. Better tradecraft requires more Operations Officers. Better cover also involves unavoidable requirements for increased personnel. Better cover means more cover work, which means less operational work, which means that more Operations Officers are needed to do a job under good cover

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than under sloppy cover. Improving relations with other Directorates, working more effectively with other Agencies, and, especially, training all involve increased investments in personnel. I believe strongly that we can not talk realistically of significant enhancements in capability that might come about indepently of significant increases in cost.

3. We believe strongly that creative thinking in the coming years will yield new and better ways to get by on what we've got. We're also convinced, however, that reaching the DCI's objectives for improved Agency performance will require more than creativity. That kind of progress just won't come cheap.

John H. Stein  
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